

**ALL REGISTERED VOTERS**  
**CITY OF GUNNISON**  
**GUNNISON COUNTY, COLORADO**

**NOTICE OF ELECTION TO INCREASE TAXES AND TO INCREASE DEBT ON A REFERRED MEASURE**

Election date: May 8, 2007

Election hours: Mail Ballot Election; Ballots will be mailed out via U.S. Postal Service on Wednesday, April 18, 2007, and must be received back by 7:00 P.M., May 8, 2007.

Local election office address and phone number:

Gail A. Davidson, CMC, City Clerk , P.O. Box 239, 201 W. Virginia Ave., Gunnison, CO 81230  
Phone Number: 970.641.8140

Ballot title and text:

Ballot Issue 1A

SHALL THE CITY OF GUNNISON TAXES BE INCREASED \$1,500,000 (FIRST FULL FISCAL YEAR DOLLAR INCREASE) ANNUALLY AND SHALL THE CITY OF GUNNISON DEBT BE INCREASED BY AN AMOUNT NOT TO EXCEED \$9,500,000, WITH A MAXIMUM REPAYMENT COST OF \$19,500,000; SUCH TAXES TO CONSIST OF A RATE INCREASE IN THE CITY SALES AND USE TAX OF 1.0% (WHICH REPRESENTS A ONE CENT INCREASE ON EACH DOLLAR) COMMENCING JULY 1, 2007, TO CONTINUE FOR A PERIOD OF TWENTY-FIVE YEARS, WITH A DECREASE IN THE TAX RATE FROM 1.0% TO 0.25% (WHICH REPRESENTS A ONE-QUARTER CENT INCREASE ON EACH DOLLAR) ON JULY 1, 2032; SUCH DEBT TO CONSIST OF REVENUE BONDS PAYABLE FROM THE AUTHORIZED SALES AND USE TAX AND ISSUED FOR THE PURPOSE OF:

- CONSTRUCTING AND EQUIPPING POOL FACILITIES TO INCLUDE A RECREATIONAL LAP POOL AND A WARM WATER THERAPY POOL;
- CONSTRUCTING AND EQUIPPING AN ENCLOSED REFRIGERATED ICE RINK FACILITY;
- CONSTRUCTING A NON-MOTORIZED TRAIL SYSTEM AROUND THE CITY AND ACQUIRING TRAIL EASEMENTS;

AND TO THE EXTENT FUNDS ARE AVAILABLE FOR THE PURPOSE OF CONSTRUCTING, ACQUIRING AND EQUIPPING OTHER PARK AND RECREATION IMPROVEMENTS, SUCH BONDS TO BE DATED AND SOLD AT SUCH TIME, AND AT SUCH PRICES (AT, ABOVE OR BELOW PAR) AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE CITY COUNCIL MAY DETERMINE; SHALL THE INCREASE IN THE CITY SALES AND USE TAX BE DEPOSITED INTO A CITY PARK

AND RECREATION FUND AND USED SOLELY FOR PARK AND RECREATION PURPOSES INCLUDING, BUT NOT LIMITED TO (I) CONSTRUCTING, ACQUIRING AND IMPROVING CAPITAL IMPROVEMENTS, (II) ACQUIRING AND IMPROVING REAL PROPERTY INTERESTS AND EQUIPMENT, (III) OPERATING AND MAINTAINING CAPITAL IMPROVEMENTS, REAL PROPERTY INTERESTS AND EQUIPMENT AND (IV) PROVIDING FOR THE PAYMENT OF REVENUE BONDS ISSUED FOR SUCH PURPOSES; AND SHALL THE TAX REVENUES DEPOSITED IN THE CITY PARK AND RECREATION FUND AND ALL EARNINGS THEREON (REGARDLESS OF AMOUNT) CONSTITUTE A VOTER-APPROVED REVENUE CHANGE, AND AN EXCEPTION TO THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

**Actual historical and current estimated fiscal year spending information:**

| <b>Year</b>  | <b>Fiscal Year Spending</b> |
|--|-----------------------------|
| 2003 (actual)  | \$4,637,777                 |
| 2004 (actual)  | \$5,075,379                 |
| 2005 (actual)  | \$6,300,025                 |
| 2006 (actual)  | \$5,966,114                 |
| 2007 (current year estimated)  | \$6,088,411                 |
| Overall percentage change in fiscal year spending over the five year period from 2003 through 2007:              | 31.28%                      |
| Overall dollar change in fiscal year spending over the five year period from 2003 through 2007:                  | \$1,450,634                 |
| Estimated 2008 fiscal year spending without taking into account the tax increase authorized by the ballot issue: | \$6,270,000                 |
| Estimated 2008 tax increase authorized by the ballot issue:  | \$1,500,000                 |

Information regarding bonded debt proposed by the ballot issue:

|                                |              |
|--------------------------------|--------------|
| Principal amount:              | \$9,500,000  |
| Maximum annual repayment cost: | \$1,500,000  |
| Maximum total repayment cost:  | \$19,500,000 |

Information regarding current bonded debt:

|   |       |
|---|-------|
| Principal balance:                      | \$-0- |
| Maximum annual repayment cost:          | \$-0- |
| Maximum remaining total repayment cost: | \$-0- |

Summaries of written comments filed with the election officer:

The following summaries were prepared from comments filed by persons FOR the issue:

1. Three distinct recreational groups from Gunnison have come together to develop ballot issue 1A to provide facilities for a healthier community: a warm water pool and fitness lap swimming pool, extended ice rink with one refrigerated rink, and trails around town.
2. Gunnison's long winters and harsh climate can make life difficult for many Gunnison Valley citizens including children and senior citizens. The proposed aquatics facility will serve as a community gathering place to promote health and wellness.
3. A yes vote will create the opportunity for citizens to get out and get active in a healthy space, even in the dead of winter when people wonder, "what can we do in the cold?" – swim, skate, walk, and ski!
4. The hospital, clinics and individuals will gain the use of a facility offering a warm water therapy pool, and children will have a safe, modern facility in which to swim and play. Fitness swimmers will have space to exercise.
5. These facilities will provide a boost to economic development in our valley through swimming and hockey tournaments and tourist involvement. Citizens will now have a choice of whether to stay in Gunnison to participate in their chosen activity or go elsewhere.
6. Operation and maintenance costs have been included in the revenue funding monies keeping fees reasonable and affordable.
7. Refrigerated ice will extend hockey season and allow for increased skate programming for all levels of skaters including open skate time.
8. The sales tax will cost approximately \$5.83 per person each month. 29% of the sales taxes collected will come from people who live outside the Gunnison Valley.
9. A yes vote on 1A will offer Gunnison citizens the chance to improve the quality of life of all residents, encourage positive social interaction amongst a number of different social populations in the valley, as well as offering amenities that has been direly needed.

The following summaries were prepared from comments filed by persons AGAINST the issue:

No comments were filed by the constitutional deadline.